

Message Text

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ORIGIN ABF-01

INFO OCT-01 NEA-14 ISO-00 AID-20 TRSE-00 AGR-20 FS-01

OMB-01 SSO-00 L-03 IGA-02 FBO-01 HEW-08 LOC-01 INT-08

INRE-00 CIAE-00 COME-00 DODE-00 DOTE-00 EB-11 EPA-04

HUD-02 INR-10 NASA-04 NSAE-00 NSF-04 RSC-01 SCI-06

SMI-01 A-01 /125 R

DRAFTED BY M/FRM/FM:RPWHITENER:SLW

APPROVED BY NEA/INS:DKUX

NEA/INS:DBORN

AID/ASIA/SA:JCOLES

TREASURY/BA:GSPITTLE

TREASURY/IA:SCANNER (INFO)

AGR:HNORTON (INFO)

BF/FS:MHINES (INFO)

----- 004297

O 032257Z JUL 74

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI IMMEDIATE

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E.O. 11652: N/A

TAGS: ABUD, EFIN, AFIN, IN

SUBJECT: RUPEES: USE OF ACCOUNTS FY 1975-7

REF: NEW DELHI 7062, 7895, 8351, 8410, 8541, 8679, 8750

STATE 126599, 132138, 140942, 141555, 142, 506

1. SUMMARY OF GUIDANCE FOR USE OF ACCOUNTS IN FY 1975:

FOR FY 1975, RUPEE EXPENDITURES FOR UNDISBURSED AID GRANTS

AND FOR FBO, L/C AND HEW/SRS SHOULD BE DRAWN FROM COOLEY

ACCOUNT "A". RUPEES FOR CONVERSIONS, AND AID TO NEPAL

WHEN APPROVED HERE, SHOULD COME FROM COOLEY ACCOUNT "B".

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ALL OTHER RUPEE EXPENDITURES CONTEMPLATED IN THE FOLLOWING

TABULAR PROJECTIONS SHOULD COME FROM THE NON-P.L. 480 RUPEE ACCOUNT (20FT180). YOU SHOULD FOLLOW THIS PRACTICE, BUT SEND US ANY COMMENTS OR QUESTIONS YOU MAY HAVE ON THIS PARAGRAPH OR ANY OTHER ASPECT OF THIS ADVICE.

2. ALL RUPEES EXPENDED IN PERIOD FEBRUARY 18-JUNE 30, 1974 SHOULD HAVE COME FROM THE TRANSITION ACCOUNT (20FT480). IN THE EVENT THAT RUPEES FROM EITHER OF TWO COOLEY ACCOUNTS OR THE RUPEE ACCOUNT (20FT180) WERE USED FOR EXPENDITURE IN THIS PERIOD, RETROACTIVE ADJUSTMENT SHOULD BE MADE.

3. AFTER JUNE 30, 1974, ALL RUPEE EXPENDITURES CHARGEABLE REGULAR AGENCY DOLLAR APPROPRIATIONS, AND ALL EXPENDITURES FOR SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS WITH

THE EXCEPTION OF THOSE FOR FBO, LIBRARY OF CONGRESS, HEW/SRS AND INTERIOR, SHOULD COME FROM THE NON-P.L. 480 RUPEE ACCOUNT (20FT180).

4. SUSPENSION OF EXPENDITURES FROM COOLEY ACCOUNTS A AND B PER STATE 140942 IS HEREBY DISCONTINUED. AFTER JUNE 30, 1974, RUPEES FROM THESE TWO ACCOUNTS MUST BE USED FOR CONVERSIONS, AID TO NEPAL, UNDISBURSED AND NEW P.L. 480 AID GRANTS, AND LIQUIDATION OF UNPAID AND NEW OBLIGAT UNDER THE FOUR SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS IDENTIFIED IN PARA. 2 ABOVE UNLESS AND UNTIL THESE SFCP SECURE CLEAR LEGISLATIVE AUTHORITY TO USE NON-P.L. 480 RUPEES.

5. ANALYSIS OF THE INFORMATION YOU HAVE SUPPLIED AND THAT AVAILABLE HERE HAVE LED US TO CONCLUDE THAT THE RUPEE AVAILABILITIES IN THE COOLEY A AND B ACCOUNTS SHOULD BE USED FOR ESTIMATED P.L. 480 RUPEE REQUIREMENTS AS SET FORTH IN THE TWO TABLES IN PARAS. 6 AND 7 BELOW. THE ESTIMATES ARE BASED ON THE ASSUMPTIONS THAT EXCHANGE RATES WILL NOT FLUCTUATE WIDELY, THAT THERE WILL BE NO SHORTFALL IN ESTIMATED REFLOWS, AND THAT LEGISLATIVE AUTHORITY TO USE NON-P.L. 480 CURRENCIES WILL NOT BE AVAILABLE TO THE FOUR SFCP APPROPRIATIONS OVER THE THREE-YEAR PERIOD FROM FY 1975 TO FY 1977. ON THIS BASIS, THE PROJECTION INDILIMITED OFFICIAL USE

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CATES THAT THE FUNDING FOR NEPAL WOULD HAVE TO BE REDUCED BY RS. 9.9 MILLION, AND THAT NO FUNDS WOULD BE AVAILABLE FOR ST. JOHN'S UNTIL FY 1978. HOWEVER, PROBABLE CLARIFICATION OF FBO AND L/C AUTHORITY TO USE NON-P.L. 480 CURRENCY COULD REDUCE P.L. 480 CURRENCY REQUIREMENTS BY AN ESTIMATED RS. 53 MILLION, MORE THAN ENOUGH TO RESTORE RS. 9.9 MILLION FOR NEPTL AND TO PROVIDE THE PROPOSED RS. 26 MILLION FOR ST. JOHN'S. INASMUCH AS THE CLARIFICATION

AND SAVINGS CANNOT BE GUARANTEED, THE FUND SHOULD NOT BE COMMITTED FOR ST. JOHN'S OR THE FINAL RS. 9.9 MILLION FOR NEPAL UNTIL THE CLARIFYING LEGISLATION IS APPROVED. THIS COULD BE ANTICIPATED IN THE FIRST QUARTER OF FY 1976. EXPLORATION OF POSSIBILITIES FOR PARTIAL EARLIER FUNDING STILL PROCEEDING.

6. ESTIMATED P.L. 480 RUPEE AVAILABILITIES AND REQUIREMENTS

--- COOLEY ACCOUNT "A" (20FT495)
(FROM JULY 1, 1974 UNTIL EXPENDED)

--- MILLIONS
--- OF RUPEES

TRANSFER FROM 20FT480 TRANSITION ACCOUNT 190.0

EST UNPAID AID GRANTS 6/30/74 - 90.0 (1)

EST UNPAID SFCP 6/30/74:

FBO 28.9

L/C 2.0

SRS 3.0

DOI -0-

SUBTOTAL UNPAID - 33.9

BALANCE FOR OTHER PURPOSES: 66.1

EST NOA FOR SFCP:

FY 1975

FBO 26.0

SRS 9.2

INT -

L/C 2.7 - 37.9

BALANCE AVAILABLE FY 76 28.2

FY 1976

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FBO 22.0

SRS 9.4

INT 2.6

L/C 10.1 - 44.1

SHORTFALL TRANS TO "B" ACCOUNT - 15.9

FY 1977

FBO 10.9

SRS 10.1

INT 3.9

L/C 10.5

SHORTFALL TRFD TO "B" ACCOUNT - 35.4

THREE YEAR DEFICIT - 51.3

(SHIFTED TO COOLEY "B" ACCOUNT)

(1) POST ESTIMATE

7. ESTIMATED P.L. 480 RUPEE AVAILABILITIES AND REQUIREMENTS

--- COOLEY ACCOUNT "B" (20FT49V,
 --- (FISCAL YEARS 1974 THRU 1977)

--- MILLIONS
 --- OF RUPEES

LOAN REPAYMENTS FEBRUARY 18-JUNE 30, 1974 (1) 43.0
 DEDUCT JULY 1, 1974 CONVERSION (1) 43.0
 BALANCE JULY 2, 1974 CARRIED TO FY 1975 (1)
 ADD JULY 1974 RECEIPTS DUE IV JUNE 1974 (1) 32.0
 ADD NORMAL RECIPITS IN FY 1975 (1) 123.0
 AVAILABILITY FY 1975 (1) 155.0
 DEDUCT JULY 1, 1975 CONVERSION 49.9
 DEDUCT AID TO NEPAL FY 1975 65.0
 BALANCE CARRIED TO FY 1976 40.1
 ADD JULY 1975 RECEIPTS DUE IN JUNE 1975 (1) 30.0

ADD NORMAL RECEIPTS IN FY 1976 113.0
 AVAILABILITY FY 1976 183.1
 DEDUCT JULY 1, 1976 CONVERSION 49.9
 DEDUCT FY 1976 NOA REQUIREMENTS 4 SFCP 15.9
 DEDUCT AID TO NEPAL FY 1976 65.0
 BALANCE CARRIED TO FY 1977 52.3
 ADD JULY 1976 RECEIPTS DUE IN JUNE 1976 30.0
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ADD NORMAL RECEIPTS IN FY 1977 108.0
 AVAILABILITY FY 1977 190'3
 DEDUCT JULY 1, 1977 CONVERSION 49.9
 DEDUCT FY 1977 NOA REQUIREMENTS FOR 4 SFCP 35.4
 DEDUCT AID TO NEPAL FY 1977 55.1
 BALANCE CARRIED TO FY 1978 49.9
 DEDUCT JULY 1, 1978 CONVERSION 49.9
 (1) POST ESTIMATE SISCO

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To: NEW DELHI
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